

**Opening Statement for Rep. Joseph Pitts**  
**Health Subcommittee Hearing on the**  
**“True Cost of PPACA: Effects on the Budget and Jobs”**  
**(Remarks Prepared for Delivery)**

We had a very instructive field hearing in Harrisburg last week, on the one-year anniversary of the signing of PPACA.

What we heard about the health reform law’s costs on Pennsylvania alone was chilling.

Governor Corbett stated that after the Medicaid expansion had gone into effect, roughly 1 in 4 Pennsylvanians would be on the program.

According to the Acting Secretary of the Department of Public Welfare, Gary Alexander, Medicaid currently accounts for 30% of the state budget – that is more than all but two other states (Illinois and Missouri) – and if PPACA is fully implemented, that percentage will double to 60% by FY19-20.

This is simply not sustainable for my home state, or any other.

And the numbers don’t look much better for the federal government, either.

On March 18, 2011, CBO released its preliminary analysis of the President’s FY12 budget.

CBO’s estimate of total spending on coverage expansions in PPACA grew from \$938 billion last March (for fiscal years 2010-2019) to \$1.445 trillion (for fiscal years 2012-2021) – a 54% increase in federal spending.

As you may remember, candidate Obama promised his health care plan would cost “\$50-65 billion a year when fully phased in.”

CBO, however, projects that the real cost of the coverage expansions will be \$229 billion in 2020 and \$245 billion in 2021 – four times the levels of spending candidate Obama promised.

And what about the jobs PPACA was supposed to create? Then Speaker Pelosi stated in February of last year that the law would “create 4 million jobs – 400,000 jobs almost immediately.”

Yet, as Mr. Elmendorf told the House Budget Committee last month, he expects the law will cost 800,000 jobs by 2021.

That may be because the law contains perverse incentives for businesses not to grow.

Small businesses are hesitant to go over 50 employees, and incur a penalty for each full-time employee who does not have “proper insurance” – as defined by the government.

They are also being buried under thousands of pages of regulations – with thousands more to come -- with which they'll have to comply. And they'll bear the cost of compliance on their own.

Or, like Case New Holland – a major manufacturer with operations in my district –which testified at the field hearing last week, they already expect to spend \$126 million over the next decade just to comply with the law.

And that's \$126 million that won't go towards expanding their business and creating jobs.

We are receiving reports almost weekly that show that the true cost of Obamacare is worse than what any of us expected – higher premiums, more federal health spending, fewer jobs, less access, and people losing the coverage they currently have and like.

Not only does the law not achieve its stated goals, the true cost of Obamacare is too high for our states, too high for the federal government, and too high for the private sector.

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